

New Starts Bi-Weekly Briefing – November 5, 2010

Notes: Bring scorecard to each meeting.

TRO-5, TRO-6, TRO-9, and TRO-10 participated via teleconference.

Vancouver, WA, Columbia River Crossing

- TCC stated that FTA must honor the legislative language.
- The Full Funding Grant Agreement (FFGA) will need to reflect a local share of at least 20 percent of project cost.
- For rating purposes of share, consider 23 percent for the local funding, which equals a *High* rating.
- **NEXT STEPS/ACTION ITEMS:**
 - FTA will need to write language in the Annual Report for project justification and share.
 - Note that the share is a certain percentage of the transit project and a certain percentage of the total, multimodal project. Quote statutory language in the Annual Report.
 - TRO-10 will discuss the share with the project sponsor.

Los Angeles, Regional Connector and Westside

- FTA received preliminary engineering (PE) requests for these projects on November 1st.
- For now, FTA will treat QTIBS (Qualified Transportation Infrastructure Bonds) similar to how we treat TIFIA (Transportation Infrastructure Finance Innovation Act) loans.
- QTIBS are okay for PE, but financing will need to be committed for final design (FD).
- FTA has never executed an FFGA that used TIFIA funds. Denver might eventually pursue such funds, but has not confirmed that they will do so.
- Would TIFIA funds be considered local or federal funds? TIFIA is a loan from the U.S. Treasury. If the Treasury loans the funds and they are paid back, then the funding would be local.
- They are assuming a 60 percent New Starts share and we should tell them to assume a 50 percent share.
- In the PE letter, we should note that QTIBS do not exist and that other vehicles bear interest costs. If the QTIBS do not work or do not go forward then the grantee will need to identify an alternative plan.
- The pre-PE risk assessment will not be finished for another week. So far, a \$538.0 million shortfall is projected. A major part of the funding gap is the difference in the escalation rate projected by the grantee and the PMO.
- **NEXT STEPS/ACTION ITEMS:**
 - FTA will need to develop a new policy for QTIBS.
 - TOA suggested staff identify core issues. The Administrator will contact Art Leahy, the CEO of the Los Angeles County Metropolitan Transportation Authority, and say we will want to put the project in the FY 2012 Annual Report, but you will need to make things happen quickly. FTA needs a financial plan for the FMOC to review and the plan is needed within one week.

St. Paul-Minneapolis, Central Corridor

- FTA has never allowed the type of borrowing that the Metropolitan Council proposes. They would borrow from capital funds and lend to operating funds.
- We became aware of the proposed internal borrowing in July and soon flagged the issue.
- The Metropolitan Council says that under Minnesota state law, they cannot pay for utility relocation.
- **NEXT STEP/ACTION ITEM:**
 - The Administrator recommended telling them “No” regarding a request to permit the internal borrowing. Will this cause a project delay? TRO-5 believes the grantee will say this delays the project.

Honolulu, Precast Yard Letter

- We have an opportunity to inform Honolulu about our issues.
- **NEXT STEP/ACTION ITEM:**
 - Staff will draft an issues paper, then meet with the Administrator.

Urban Circulator

- Staff is trying to get a Federal Register Notice (FRN) published. FTA should soon see an FRN.
- FTA will treat this program as we treat the bus program, except recipients cannot use funds for PE and NEPA.
- How does this affect Cincinnati? TRO-5 wants to talk with TCC.